

LEGISLATIVE UPDATE

HOUSE COMMITTEE ON THE BUDGET
Majority Caucus

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H.R. 2586 – THE FISCAL YEAR 2002 NATIONAL DEFENSE AUTHORIZATION ACT

Summary: H.R. 2586, the Defense Authorization Act for Fiscal Year 2002, authorizes appropriations for the Department of Defense, military construction, and Atomic Energy Defense Activities, and prescribes military personnel strengths (see bill summary below). The bill – as reported by the Committee on Armed Services, and scheduled for the floor consideration under a structured rule – is consistent with the fiscal year 2002 budget resolution, and complies with applicable sections of the Congressional Budget Act.

Cost of Legislation: The bill authorizes budget authority [BA] of \$342.9 billion and outlays of \$333.8 billion in fiscal year 2002, subject to later appropriations action. Additionally, the bill would reduce spending not subject to appropriations by \$18 million.

Legislation Compared With the Budget Resolution: The Concurrent Resolution on the Budget for Fiscal Year 2002 (H.Con.Res. 83) established a spending total for National Defense (function 050) of \$324.8 billion in BA and \$319.1 billion in outlays. In addition, section 218 grants the chairman of the Committee on the Budget the authority to adjust the 302(a) allocation for National Defense provided that the adjustment does not reduce the on-budget surplus below the level of the Medicare Hospital Insurance Trust

Fund surplus. Although the Budget Committee chairman has not yet made such an adjustment, H.R. 2586 remains in compliance because its authorization of discretionary budget authority is subject to appropriations.

Compliance With the Budget Act: H.R. 2586 complies with section 302(f) of the Budget Act, which prohibits the consideration of any measure that would exceed the appropriate committee's 302(a) allocation of new budget authority. Similarly, the bill does not exceed the appropriate budgetary levels established in H.Con.Res. 83, and therefore complies with section 311(a) of the Budget Act, which stipulates that legislation may not exceed the aggregate levels in the budget resolution.

Compliance With PAYGO: H.R. 2586 increases direct spending – spending not controlled by the appropriations process – by \$4 million in fiscal year 2002. Under pay-as-you-go [PAYGO] requirements, increases in direct spending must be offset by any combination of tax increases or mandatory savings in the same fiscal year. The bill accordingly provides an offset of \$22 million in fiscal year 2002 by means of asset sales. For 2002-2011, H.R. 2586 provides for a combination of direct spending savings and asset sales to save a total of \$355 million in direct spending.

Summary of H.R. 2586

(budget authority in billions of dollars)

Military Personnel	82.2
Operations and Maintenance	124.4
Procurement	62.0
Research and Development	47.7
Military construction & Family Housing	10.3
Atomic Energy Defense Activities	13.5
Funds, Receipts, and other	2.8
Total	342.9

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This document was prepared by the majority staff of the House Committee on the Budget. It has not been approved by the full committee and may not reflect the views of all the committee's members.